

**United States Environmental Protection Agency  
Criminal Investigation Division  
Investigative Activity Report**

**Case Number**

0506-0026

**Case Title:**

Ferguson Enterprises Inc.

**Reporting Office:**

Detroit, MI, Resident Office

**Subject of Report:**

Interview of (b)(6), (b)(7)(C) Detroit Law Department

**Activity Date:**

August 19, 2010

**Reporting Official and Date:**

(b)(6), (b)(7)(C) RAC

30-AUG-2010, Signed by: (b)(6), (b)(7) RAC

**Approving Official and Date:**

(b)(6), (b)(7)(C), SAC

03-SEP-2010, Approved by: (b)(6), (b)(7), SAC

**SYNOPSIS**

08/19/2010 - U.S. EPA CID Special Agent (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) Chief of Governmental Affairs, Detroit Law Department.

**DETAILS**

On August 19, 2010, U.S. EPA CID Special Agent (b)(6), (b)(7)(C) interviewed (b)(6), (b)(7)(C) Chief of Governmental Affairs, Detroit Law Department. Also present during the interview was Assistant U.S. Attorney Mark Chutkow and (b)(6), (b)(7)(C), Deputy Corporation Counsel, Detroit Law Department. After being informed of the identity of the interviewing agent, (b)(6), (b)(7)(C) provided the following information:

(b)(6), (b)(7)(C) explained that when (b)(6), (b)(7)(C) was terminated as the Director of the Detroit Water & Sewerage Department (DWSD) (b)(6), (b)(7)(C) reverted back to (b)(6), (b)(7)(C) previous position as Assistant Deputy Corporation Counsel and was initially placed in the Contracts Group at the Law Department. (b)(6), (b)(7)(C) was the supervisor of the Contracts Group and reported to (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) was later reassigned to the Municipal Section and reported to (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) was reassigned as the Municipal Section needed help and the Contracts group did not need an eighth attorney. (b)(6), (b)(7)(C) thought that may be someone had left the Municipal Section which created the opening for (b)(6), (b)(7)(C).

When asked if (b)(6), (b)(7)(C) recalled a directive or message being sent from the Mayor's office, perhaps from (b)(6), (b)(7)(C), that (b)(6), (b)(7)(C) not be allowed to handle or have anything to do with DWSD related contracts, (b)(6), (b)(7)(C) stated that the Mayor's office probably did communicate this. (b)(6), (b)(7)(C) commented that (b)(6), (b)(7)(C) would have been a natural fit to handle the DWSD contracts given (b)(6), (b)(7)(C) years of experience with the department but the Law Department already had two attorneys who dealt with the DWSD, (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C). (b)(6), (b)(7)(C) also stated that it would not have been prudent to assign (b)(6), (b)(7)(C) to the DWSD work given the fact that (b)(6), (b)(7)(C) was escorted out of the DWSD offices on January 7, 2002.

(b)(6), (b)(7)(C) explained that (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C), Corporation Counsel for the Law Department, had both stayed past their termination dates during things such as organizing files and doing other things to ease the transition for their replacements. On January 7th they were both escorted out of their respective offices as it seen by the Mayor's office that they were overstaying their positions. The rumor was that the Mayor's office thought that (b)(6), (b)(7)(C) was looking for files related to the Department of Justice Consent Decree regarding the Detroit Police Department. Given this negative attention (b)(6), (b)(7)(C) didn't think it was a good idea to have (b)(6), (b)(7)(C) handling the DWSD contracts as (b)(6), (b)(7)(C) didn't want to put (b)(6), (b)(7)(C) in the line of fire with the administration. (b)(6), (b)(7)(C) commented that (b)(6), (b)(7)(C) was not sure what was going on with the (b)(6), (b)(7)(C) administration given (b)(6), (b)(7)(C) and (b)(6), (b)(7)(C).

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being escorted out of their offices and that they seemed to want someone they could trust. After a couple of years (b)(6), (b) did have (b)(6), work on DWSD related issues such as amending the waste water ordinance. (b)(6), (b) had the impression that someone did not want (b)(6), on the DWSD issues, whether it was (b)(6), (b) (7)(C) or someone else (b) was not sure. (b)(6), (b) did not talk to (b)(6), or hear that the message was from (b)

(b)(6), (b) recalled attending a meeting at the Mayor's office regarding demolition issues and being surprised to find that (b)(6), (b) (7)(C) was there. There were six or seven other people present at the meeting such as officials from the Buildings Safety & Engineering as well as staff from the mayor's office. (b)(6), (b) had never experienced having a contractor present in an internal city meeting. (b)(6), (b) thought to himself at the time that (b) wasn't going to give legal advice to the city officials with Ferguson present. (b)(6), (b)(6), (b) was not at the meeting. The meeting took place within the first year of the (b)(6), (b) administration and (b)(6), (b) was likely there to give (b) opinion on demolition policies.

(b)(6), (b) does not recall a memo written by (b)(6), regarding the applicability of the Detroit Headquartered Business certificates and commented that (b) must have a copy of it if it was signed off on. (b)(6), (b) stated that it was possible that a list of favored or out of favor contractors existed from the (b)(6), (b) Administration but doesn't recall seeing one. (b)(6), (b) (7)(C) of the Human Rights Department would know if there had been such a list as (b) cleaned up a lot of problems with that department.

A short while after the interview concluded (b)(6), (b) contacted (b)(6), and explained that (b) had located some documents relevant to the topics of the interview. SA (b)(6), (b) (7) and (b)(6), (b) were present when (b)(6), (b) returned with copies of several emails from September of 2002 relevant to (b)(6), (b) transfer to the Municipal Section. (See Attached). (b)(6), (b) also produced a copy of (b)(6), (b) performance appraisal for (b) first year back at the Law Department, which SA (b)(6), (b) (7) did not retain a copy of. (b)(6), (b) explained that after reviewing the appraisal (b) recalled that (b)(6), had been reminded that in (b) role as Law Department employee (b) was to provide legal advice only and not advice on policy issues to other departments. (b)(6), (b) thought that the directive not to have (b)(6), work on DWSD issues may have been related to (b) inability to divorce (b)(6), from (b) prior management position at the DWSD.